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2
3 **IN THE UNITED STATES BANKRUPTCY COURT**
4 **FOR THE WESTERN DISTRICT OF WASHINGTON**

5 In re:

6 GARTH A. MACLEOD

7 Debtor.

8 CHAPTER 11 PROCEEDING
9 NO. 14-17526-MLB

10 DECLARATION OF TERE FOSTER IN
11 SUPPORT OF MOTION TO SELL FREE AND
12 CLEAR OF INTERESTS AND LIENS

13 I, TERE FOSTER, am the licensed real estate broker employed in the above-referenced case
14 and declare that the following is true and correct to the best of my knowledge:

15 1. Affiant. I am a real estate broker and have been licensed to sell real estate in the state
16 of Washington for more than 25 years. I have been involved in hundreds of home sales having a
17 cumulative value in excess of \$500,000,000. I have represented both buyers and sellers. I have sold
18 more than 31 residential waterfront properties valued at over \$5 million in the last 10 years. I
19 currently have 14 waterfront homes listed for sale between \$2,375,000 and \$32,800,000. Based upon
20 my experience, I believe I can provide a well-informed and knowledge-based opinion of the market
21 in general and the pending offer relating to the Property, in particular. I oversee a team of employees
22 (the "Team") whose combined efforts are utilized to market, sell, and purchase residential properties.

23 2. Property. The Property, owned by the Debtor, is located at 3810 Hunts Point Road,
24 Hunts Point (Bellevue), Washington 98004.

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ADVANTAGE LEGAL GROUP
12207 NE 8TH STREET
BELLEVUE, WA 98005
Tel: 425-452-9797
Facsimile: 425-440-7681

3. Marketing.

A. I was retained to sell the Property on or about April 8, 2013. My Team has kept an accurate account of the efforts put into marketing this home. The listing (Exhibit A attached) specifically requires previews of the Property to be done before an actual showing occurs. An agent for a buyer first previews the Property. If the buyer is still interested in the Property after the preview, a showing was scheduled. There were 140 previews of the Property in which the Team reasonably expended 420 hours. There were 83 showings following those previews reasonably requiring that the Team expend another 249 hours. The Team also conducted nine Broker Opens during the pendency of the listing which reasonably required another 45 hours of time. A true and correct summary of the hours expended is attached as Exhibit B.

B. In addition, there were professional photography sessions conducted and paid for regarding the Property. Videos were taken of the interior of the Property, and aerial photographs were taken. All costs were paid by me to support the marketing efforts. The Team also listed the property on Chinese real estate websites which required translation and extra time and expense for the Team.

C. The Property also was featured in many magazines, and I invested over \$136,253.50 into placement of the Property in a number of magazines. A true and correct summary of the publications in which the Property appeared and of the related unreimbursed cost therefor is attached as Exhibit C.

4. Market Analysis.

A. During the listing of the Property, I conducted ongoing price evaluations and kept track of other competitive listings and any sales. This continual evaluation process allowed me

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1 to assess the relationship between the asking prices and the sales prices of other waterfront listings on
2 Lake Washington, in general, and Hunts Point, in particular. I provided this information to the
3 Debtor, and he strategically lowered the price gradually in order to attract a buyer.

4 B. Homes in the price range of the Property can be extremely difficult to sell.
5 There are very few buyers who can purchase a residential property such as the Property. Finally, after
6 many months, 140 previews, 83 showings, nine Broker opens, several price reductions, dozens of
7 magazine appearances of the Property, both domestically and internationally, and seven previous
8 offers (all of which were lower than the current offer), the offer from the current buyer was received.

9 5. Buyer. The buyer is a Washington corporation set up by a Chinese national
10 apparently for the single purpose of purchasing the Property. The buyer has provided proof of funds
11 and also has provided a financial statement showing that he is a legitimate buyer with the means to
12 complete the transaction. The transaction for the purchase of the Property appears to be an arm's
13 length transaction between the buyer and the seller.

14 6. Opinion.

15 A. Taking all matters into account, including the extensive efforts of the Team
16 and myself and my ongoing evaluation of the market for comparable waterfront homes on Lake
17 Washington, I believe the current offer is fair. Failure to timely close this transaction could lead to
18 the loss of this buyer, and it is unknown if another buyer could be found at the purchase price set forth
19 in the offer. It is likely that if the current transaction does not close and the Property is placed back on
20 the market, a new sale of the Property in the foreseeable future would net less proceeds than the
21 current offer, taking probable sales price and carrying costs of the Property into account. I do not
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1 believe it is likely that a buyer could be found in a reasonable time to purchase the Property at a
2 higher price than the current offer.

3 B. I therefore believe and represent that current offer is the best and highest offer
4 that likely is to be received for the Property, taking into account current market conditions, among
5 other things.
6

7 I declare under the penalty of perjury that the foregoing is true and correct.
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9 DATED, this 18th day of June 2015.
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12 TERE FOSTER
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